

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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Survey of Recent Events

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9 November 1956

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I. Political**1. Soviet Union**

- a. While the Soviets ruthlessly and within the shortest possible time restored their collapsing political position in Hungary, the military conflict in the Middle East offered them both the desired diversion of world politics and international public attention and an opportunity for new political interventions. Although [redacted]

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[redacted] Moscow's sharp pronouncements toward London and Paris did not herald an imminent military intervention and the cessation of hostilities [redacted] puts off this possibility still further, Moscow's impressions of the Western reactions to the Soviet tabula-rasa action in Hungary encouraged the Kremlin to come out with massive intimidation attempts. Their blunt overtures that they were ready at any moment to take joint action with the Americans and other UN members served to make up for the moral defeat they had suffered before the UN in the case of Hungary and to save face in the Arab world and counter US influence which again began to grow there.

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- b. The arrivals of troops from the Carpatho-Ukraine which had for the first time been reported on 28 October 1956 had already tended to indicate that the Soviet would employ all possible means to prevent Hungary from breaking away from the political and economic structure of the Eastern Bloc and the people's democratic system. This was to be expected. [redacted] If they had allowed the national revolution in Hungary to run its course, they would have set off a chain reaction which would have proved disastrous for the entire structure of the Eastern Bloc. The military intervention by the Western Great Powers at the Suez Canal also supplied them with usable propaganda material for the concealing of their political action which, however, will probably discredit the thesis of "peaceful coexistence" with the nations of the free world [redacted]

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[redacted] Moscow has no intention of swerving from the political line of the XX Party Congress of the Communist Party of the Soviet Union. This view is supported by the pronouncement on the "Relations of the Soviet Union with Other Socialist Countries", the withdrawal of high-ranking Soviet officers from Poland and the program of Kadar, the new Communist government chief in Hungary, (with the decisive question of the feasibility of this program still being left open at this moment). Kadar's program was aired immediately in Hungary, chiefly for psychological reasons.

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- c. [redacted] the Soviets plan to convene soon all members of the Warsaw Pact to rearrange within its framework their military and economic relations with the Satellites. Although the preparation of this new arrangement may cause bitter discussions among the exponents of the various groups and their views in the Soviet leading collective, all members will try to make as few political and economic concessions as possible and at the same time, by making tactical concessions, will take the wind out of the sails of the elements which

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are pushing to the surface in the Satellite countries of Eastern Europe. [redacted] as a result of the recent development in Hungary, the Soviets will be faced with special difficulties in finding Hungarian forces able and willing to support their policies.

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2. Satellites and Yugoslavia

a. [redacted] Imre Nagy would not have been able to maintain his position in Hungary, since only few Hungarians believed in his true change of heart and Bela Kovacs refused to cooperate with him. Their relations had been unclear from the outset and when Nagy started giving up the people's democratic order, Kadar immediately withdrew from him and did not return to Budapest after 1 November 1956. [redacted]

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[redacted] it would be wrong to term Kadar a Soviet puppet and, likening him to Gomulka, [redacted] his assertion that he would try to give Hungary a relatively independent position within the framework of the Eastern Bloc, was to be taken seriously. Kadar's government program, which of course is scarcely his final word, followed this line. Since it was primarily designed to capture the trust of the population, it had also to contain a passage that Kadar would seek the withdrawal of Soviet troops from Hungary in talks with the Soviets. [redacted]

[redacted] his government will not find it easy to regain even a minimum of trust in the country. As a result of the uprising [redacted] Hungary could no longer simply be used as an object of exploitation by the Soviet Union, and Hungary could no longer be considered a fully reliable ally, since the Soviets could no longer have any trust in the Hungarian Army. They had also imposed a strong ban on fraternization to avoid any infection of their army with the spirit of the freedom fighters. [redacted] the Hungarian insurgents were extremely bitter over the passive attitude of the Western powers.

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b. [redacted] Gomulka disapproved of the intervention of Soviet troops in Hungary but at the same time stated that a defeat of the Communist regime in Hungary would be an intolerable fate and a danger to the freedom of Poland. [redacted] as a result of the events in Hungary, Gomulka wanted to consent to Soviet troops stationed in Poland only if he received more favorable conditions. The Polish Government is presently trying to reconcile its efforts for full sovereignty with the acknowledged necessity of securing the communications between the Soviet Union and the Soviet troops stationed in the GDR. [redacted]

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[redacted] Gomulka had succeeded in partially stemming the national tide which threatened to become dangerous to him and added that hatred against the Soviets became less strong after Rokossovski and a large portion of Soviet officers had withdrawn from the Polish Army, which would support the government in the event of a clash with anti-Communist national groups. [redacted] on the other hand [redacted] the institution of the Polit officers had not yet been abandoned and the de-Stalinization process left much to be desired. The pre-eminence of the Polish Communist Party over the other parties was scarcely affected by the disgust of these other parties, and the dissatisfaction of the farmers caused mass secessions from collective farms. The quelling of the national revolution in Hungary by the Soviets will, however, have some braking effects on the attitude of the Polish nationalists.

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- c. [redacted] 3,000 students at a rally in Prague demanded that newspapers carry objective information on the events in Poland and Hungary and also insisted on less indoctrination in their university courses. [redacted] workers were still calm since, as a result of government concessions, they had presently no reason for dissatisfaction. 25X1
- d. Tito, who had first hailed the progressing de-Stalinization policies in Poland and Hungary and had wired congratulatory addresses to Gomulka and Nagy, later warned Hungary not to allow, as he put it in his letter to the Communist Party of Hungary, various groups of reactionary elements to exploit the present events to serve their anti-Socialist ends. [redacted] he considered the last phase of democratization in Hungary prior to the Soviet intervention a serious blow and expressed the belief that a defection by Hungary from the Eastern Bloc would be the worst of all possible misfortunes. Belgrade later welcomed the establishment of the national Communist Kadar government and only regretted that it owed its formation to the intervention of Soviet troops. 25X1

3. Soviet Zone of Germany

- a. From 23 to 25 October 1956, Ulbricht and a number of SED Politburo members were in Moscow to receive new directives on the occasion of the events in Poland. Their talks with Khrushchev primarily concentrated on the development in Poland and Hungary. Oelsner requested the Soviet Union to increase its economic aid because of the changes in Poland which were expected to have unfavorable effects on the economic situation in the Soviet Zone of Germany. The GDR Government fears that it is not in a position to fulfill its promises to the population without large-scale aid from the Soviet Union. It must be left undecided to what measure the Soviet Union is capable and willing to give effective aid in view of its heavy economic involvement.
- b. No splits became apparent in the SED Central Committee. Even potential adversaries of Ulbricht, such as Rau, leave no doubt that a top-level reshuffle is not at this moment possible in the party because of the critical political situation. The shocking effects of the events in Hungary on the top-level party and government leadership in the GDR were also reflected by the partially imploring and partially menacing passages of the speech which Grotewohl made on 2 November 1956. He and Ulbricht made no actual concessions to the popular demand for liberalization. De-Stalinization and democratization were not even started by the SED. After the development in Poland, the party will probably no longer be able to avoid tackling this problem but will scarcely do anything without the consent of Moscow.
- c. Staging demonstrations and disseminating leaflets, the students of Humboldt University demanded a less rigid political course by the administration and party leadership. Since these students are specially selected and considered a reliable elite planned to furnish the young crop for party and State, their demonstrations were a matter of considerable concern for the SED leadership, which, however, will comply with the students' demands only in a few and insignificant points. Pankow is trying to stave off the students' movement by resorting to police measures and having Stoph and Shirdewan make soothing speeches.
- d. The GDR Government deposited as a precaution a sealed request with Marshal Grechko that in the event of disturbances he employ the Soviet Armed Forces. The National People's Army which is on a state of alert and the German Railroads also received order at once to place themselves under Soviet demand in the event of an emergency. The factory police

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troops were not armed because of their unreliability. Only small armed factory police groups were organized from SED members. The population in Central Germany vividly sympathized with the Hungarian freedom fighters and were keenly interested in the development in Poland. Large groups and particularly the workers in industries were patently alarmed and their unrest which did not flare up, however, created a sense of constant uncertainty in all functionaries up to top party and government levels. After the bloody stifling of the Hungarian uprising, the population may, however, definitely have become aware of the hopelessness of an armed uprising in their Zone.

4. Red China

- a. The Red Chinese government pronouncement, dated 1 November 1956, commented on the events in the Satellite countries, stating that all Communist countries were closely connected by their common ideal of Socialism and proletarian internationalism but at the same time were independent countries, and, reiterating the five principles of "peaceful coexistence" which would consequently have to govern the relations among Communist States, said that serious blunders had been committed in the past, which the statement of the Soviet Union on 30 October 1956 had well been qualified to correct. Peking seriously warned against any sort of chauvinism which would endanger the solidarity of the Communist countries and, in this connection, particularly spoke out against the "chauvinism of great powers", thus evidently making reference to Soviet claims to hegemony in the Eastern Bloc. Supplementary comments later clearly denounced Hungary's secession from the Warsaw Pact which Imre Nagy had proclaimed and, explicitly emphasizing "the tremendous importance of the Soviet friendship", expressly approved of the Soviet action in Hungary.

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I. Economic

Soviet Bloc Economic Policies after the Developments in Poland and Hungary

1. The death of Stalin, which loosened the rigid principles of political leadership, made it possible for top-level functionaries in the Soviet Union and the Satellite countries to discuss the various forms of their economic political line. This development resulted in a full recognition by the Soviet Union of Tito's Yugoslavia as a Socialist State and also released similar tendencies in Poland and Hungary. Apart from political and national tensions, the bad food supply, the complete stagnation of agriculture which sank below pre-war levels and the equilibrium lacking in both the entire national economy and the various branches of industry had made possible this development.
2.
The economic policy of Hungary, which is discussed in the following in connection with the economic situation in Hungary in the first year of the

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second five-year plan, showed the most violent fluctuations during the last five years compared to other Satellite countries. When the Korean War broke out, the Hungarian government most radically followed Soviet instructions for the intensified build-up of the heavy and armament industry and increased the industrial production from 186.4 percent, which had first been planned in the first five-year plan, to 310 percent (as compared with 100 percent in 1949) and accordingly raised the investment funds from 50.9 billion Forints to 85 billion Forints. In mid-1953, Hungary was consequently the Satellite country hardest hit by the crisis resulting from excessive investments which made it necessary to adopt the so-called new course and switch the economic effort to the neglected agricultural production and the industries for consumer goods and basic industries. As a result of red tapism in the economic administration of the State, the transfer of production factors to the mentioned economic branches made necessary by the new course proceeded so slowly, however, that the rates of industrial growth which had been a scant 12 percent in 1953 sank to 3.1 percent in Hungary in 1954 and thus were the lowest in the entire Eastern Bloc. Imre Nagy, who at that time had been responsible for the execution of the economic policy of the new course in his capacity as Prime Minister, resigned in early 1955 and Rakosi resumed as Stalinist the old course of pushed industrialization. While the rate of growth was only 40 percent for industries of consumer goods, the build-up of the industries of means of production was to be increased to 160 percent (as compared with 100 percent in 1955 and an overall increase of the industrial production of 150 percent) and thus was also stressed in the second five-year plan from 1956 to 1960. Although the Hungarian five-year plan provided only for an increase of actual wages by 25 percent which was the lowest increase rate of all Satellite countries, it was to be expected that even that target could not be reached. The new five-year plan could be executed only by means of a further decline of living standards after Moscow had granted Hungary only a credit of 100 million rubles as it had Poland. Ernoe Geroe who succeeded Rakosi directly touched off the uprising of the Hungarian people when he refused to reappoint Imre Nagy as government head and resume his economic policies. When Imre Nagy was appointed, the group of Hungarian national Communists took over but split again the moment Nagy was prepared to leave the Warsaw Pact and give up the monopoly of the Communist party and thus the centralized planned economy which was organized after the Soviet pattern. Janos Kadar, the National Communist, who formed a counter-government and asked the Soviet troops for aid followed the example of Tito and Gomulka in their "own road to Socialism policies" and announced that the second 1956/60 five-year plan would completely be reorganized.

3. After the disturbances in Poland and Hungary, the Soviet Union is forced to recognize the national Communist line in these two countries and in some form or other probably also in the other Satellite countries of Europe, since only then will it be possible to stabilize the Eastern Bloc. There will, however, probably be great differences between the individual countries. The Soviet leadership will have to consider at least to a certain degree the principles of "national sovereignty", mutual advantage and equality in economic relations" which they formally had stressed at all times but had now pointedly reiterated. Employing these more flexible method methods, the Soviet Union will try to make concessions to certain intentions of the national Communist governments and at the same time will seek to make their national interest a means for tying them more closely to the Soviet rule.
4. The uprisings in Poland and Hungary and their results mean for the Soviet leadership an economic weakening of the Eastern Bloc in the foreseeable future, since
 - a. production largely broke down during the period of uprisings and economic values were destroyed;

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- b. the new form of collaboration requires changes in the national economy plans which can definitely be decided upon only after the passage of a prolonged period of time;
 - c. these changes of the national economy plans are bound to cause losses in investments and
 - d. the Soviet Union must forego certain economic advantages.
- to
- Giving pressure or taking precautions against possible demands by those Satellite countries which had not been affected by the political unrest, the Soviet leadership will have to concede
- a. considerable means (credits from East or West ?) which will have to be made available at least for a time to increase the living standards at the expense of the pushed industrialization;
 - b. a temporary suspension of the forced collectivization within the framework of the program, although collectivized agriculture will remain the ultimate goal of the new Communist government;
 - c. a lowering of unprofitable deliveries to the Soviet Union and the development countries at least to that measure which seems advisable to the delivering countries and
 - d. a preparing of plans on the basis of discussions rather than Soviet decrees which gives the economic structure of the Eastern Bloc a federative nature and thus will first make the functioning of the overall planning considerably more difficult.

At least during a period of about 18 months or the time the new course was in force, the Soviet leadership will consequently have to pursue these less strenuous policies toward the economies of the Satellite countries if they want to stabilize the situation successfully in the long run. If the Satellite countries are unburdened from excessive spending for armaments, they will, however, at the same time become more dependent upon the Soviet Union.

- 5. An assessment of the unburdening measures in the Satellite area must take into account that the living standard in the Soviet Union is below that of almost all Satellite countries. It is consequently not impossible that in pursuance of these measures those groups who advocate stronger emphasis on the interests of the consumers may again become more influential in Soviet economic policies. This would make it necessary to increase the production of consumer goods. Consideration of the Satellite countries and their needs, and the interests of consumers in the Soviet Union as well as foreign trade and the cut-down of armament expenditure, make a policy of coexistence imperative. If the Soviet Union planned to drop again the coexistence policies because of the international situation, the Soviets would be faced with a difficult dilemma since on the one hand they would have to force the Soviet population to put up with less consumer goods and on the other would have to make concessions to the Satellite countries. This would considerably increase the tensions in the Soviet Bloc.

III. Military

1. Hungary

- a. On 28 October 1956, it became apparent that the Soviets transferred new units from the Carpatho-Ukraine to Hungary. These Soviet troops which

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consisted of at least 4 divisions moved to assembly positions for the quelling of the uprising until 3 November and assembled for attack at about 0400 on 4 November. The principal engagements took place in and around Budapest which had been encircled on 2 and 3 November. The Soviet units which were stationed in the area of Moermend, Szombathely and Győr sealed off the Hungarian-Austrian border at the same time. The fighting particularly in Budapest lasted until the morning of 6 November. Except for a small number of minor groups of resistance, the rebellion was quelled on 6 November. The bulk of the Hungarian Armed Forces was disarmed during the action on 4 November and all officers were taken prisoner.

- b. The Hungarian Air Force was also quickly eliminated by the Soviet armed intervention (occupation of airfields) in Hungary and all Hungarian air force officers were arrested. The Soviets will be forced completely to reorganize the Hungarian Armed Forces with reliable personalities.

2. Soviet Troops in the Soviet Zone of Germany

- a. During the second half of October, a number of Soviet units changed their posts. Such changes particularly took place in the area of Berlin, where installations, which had either been unoccupied or vacated a short time previously, were occupied. The rotation of personnel started early in October and is being continued.
- b. The units of the Twenty-Fourth Air Army performed no flying activity on 3, 4, and 5 November. It is the impression that the Twenty-Fourth Soviet Air Army was placed on alert during the period of tensions. No changes of posts were observed.

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I. Political1. USSR

- a. The fact that in Hungary the Soviets have as yet been unable to find a political solution by employment of military force and to establish a government which is recognized by the Hungarian people exposes the problematic aspects of Moscow's leading methods to the limelight of international attention. In view of this fact, history will not spare the Western nations the reproach that they lacked solidarity and determination in defending liberty at any place. Bibó, the Minister of the Nagy Government, as is known, had made the following statement on 4 November 1956, the day of the military intervention in Hungary:

"It is my opinion that at this historical moment in which the liberation of the countries of East Europe had almost been effected, the only means for securing world peace consists in taking upon oneself the danger of a world war. Delaying this decision would endanger the entire policy of the free world, and the outbreak of a world war at a later date would be a foregone conclusion."

The future will show to what extent this assessment of the Hungarian Minister which had been made on the spur of the moment was correct. If the Soviets want the Hungarian people to come around again to political and economic collaboration they will have to show a readiness for concessions which would touch upon the fundamentals of their previous system of control. The presence in Budapest of leading Soviet functionaries of the Soviet State and Party machinery highlights the Kremlin's efforts to find new solutions in view of the failure of its military action and the impotence of the Kadar Government. Conflicting propaganda slogans reflect the uncertainty and the concern of the Soviets.

- b. The development in Hungary also overshadows the agreement on the Soviet-Polish relations which Moscow and Warsaw patched up and which is now shortly to find more solid form in Moscow. [redacted] Gomulka is faced with increasing difficulties and increasing Soviet distrust in his person. Under the impact of the events in Hungary, the Soviets fear that the present regime in Poland may only be a transient stage and could fall victim to a development similar to that in Hungary. It must also be taken into account that the Soviet bastion in the GDR lends the Soviet position in Poland a still greater importance than held by the position in Hungary. The Soviet Union must consequently be interested in preventing a similar explosion in Poland. This consideration in addition to the basic doctrines of the 20th Party Congress which, [redacted] Moscow is determined to keep up, will greatly influence the Soviet leadership in their impending talks with Gomulka. Under the circumstances, they will probably be prepared to make a number of concessions, particularly in the economic field, in so far as they do not destroy the entire structure of their economic planning. If, however, the development in Poland would threaten to slip from Gomulka's control, they would resort to the same forcible solution as in Hungary, primarily to secure the connections to their bastion in the GDR.
- c. The events in the entire Satellite cordon are beginning to develop into a serious dilemma for the Soviet leading collective. Even they consider the tactical feasibility of the political program of the 20th Party Congress more and more an actual problem in view of this

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development. [redacted] international Communism was thrown into confusion and Hungary and Poland adversely affected the problematic relations between Moscow and Tito. Rumanian and Bulgarian Communist leaders and particularly the Albanian leadership made an increased number of comments hostile to Tito and Moscow is again faced with the question as to whether it is to make basic corrections in its ideological and political views. [redacted] Khrushchev and Mikoyan defended their policies with the argument that it had just been the unsatisfactory and slow correction of the blunders committed by Stalin which caused the critical development in the Satellite countries of Eastern Europe. The leading collective was [redacted] undivided only in face of the acute danger in Hungary which they felt had to be overcome with forcible measures. Although their policies are still bearing the mark of improvisation, the Soviet leadership will now no longer be in a position to avoid a basic clarification which became imperative in the present situation. [redacted] a plenary session of the Central Committee of the Communist Party of the USSR will take place in early December and will be followed up by conferences within the framework of the Warsaw Pact and the Council for Mutual Economic aid. There are also increased indications that Moscow will back the initiative for a re-arrangement of relations inside international Communism in 1957. A long period of reconditioning work will, however, be needed to restore the effectiveness and attractiveness of the heavily damaged facade of co-existence.

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2. Satellites and Yugoslavia

- a. [redacted] the political tension in Poland continued. [redacted] Gomulka found it difficult to prevail over the still existing Stalinists in the Communist Party and the nationalists whose numbers increased considerably by the Soviet intervention in Hungary. [redacted] there were strong differences in the Polish Army between Stalinists and recently rehabilitated officers which tend to indicate that under these circumstances, the Polish Army cannot at present be considered a completely reliable instrument for Moscow. [redacted] the relations between the rulers of the other Satellite countries and the present Polish leadership were very cool. They added that the parliamentary elections had to be postponed because of the increasing political tension in the country. Gomulka is evidently trying to give the Soviet rulers no occasion for an intervention after the pattern of Hungary, and for that purpose announced his trip to Moscow and asserted that Poland would keep up the lasting alliance and the close and cordial friendship with the Soviet Union. On the other hand, he made efforts to calm down the nationalists and promised that he would do everything in his power to consolidate the independence of Poland. The recent dismissal of numerous Soviet officers and the rehabilitation of

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officers who fought on the side of Western powers as well as the appointment of the former "Titoist" Spychalski as Minister of Defense, the purge of incriminated functionaries from ministries and labor unions and the suspension of the Poznan trials must also be viewed in that light.

- b. [redacted] the GDR and Czechoslovakia, on 20 November 1956, concluded a strictly confidential agreement on mutual aid in the event of natural catastrophes in the border area which provided that physicians, fire brigades, construction trains and emergency squads as well as specified categories of the population would be allowed to cross the border in the distressed areas within 15 km from the border line. The agreement was evidently primarily concluded in conjunction with the events in Poland and Hungary and for possible disturbances. 25X1

- c. [redacted] the Hungarian Kadar Government will scarcely succeed in getting the difficult situation under control and in gaining even small bases of trust since it has to carry the blame for the calling in of Soviet troops for the quelling of the revolution. The efforts which Kadar and the Soviets backing him are making to gain over the Hungarian population are highlighted by the following: 25X1

- (1) the assurance that the old Rakosi course was definitely out;
- (2) the pronouncement that the Patriotic Front would be open to all democratic patriots even if they did not share the Communist ideology but were at least ready to defend the power of the working masses;
- (3) Kadar's promises for a "liberalization" of the leading methods which partly go even beyond those made by the Nagy Government (during the first phase).

Kadar's efforts presently found almost no positive response from the population. Hungary will in any case constitute a considerable burden for the Soviet Union, particularly in economic respects and for the foreseeable future will cease to be an ally as well as an object of exploitation. If the passive resistance of the Hungarian population continued the Soviets would also have to consider a possible dropping of Kadar and they will have to try to reinstate less incriminated politicians like Apró or Imre Nagy, who [redacted] 25X1

[redacted] is still popular with large groups of the population. [redacted] the Soviets promised Kadar that they would withdraw the units they had sent to Hungary by 31 December. An immediate withdrawal [redacted] was impossible, since the Soviets expected one or two weeks of partisan activities. Troop units still staying in Hungary after 1 January 1957 would reportedly be withdrawn as soon as political, economic and military key positions were occupied with reliable functionaries. 25X1

- d. The employment of the Soviet Army in Hungary for the quelling of the rebellion was heavily criticized in Poland Yugoslavia via. Zawadzki, the President of the Polish State Council, was known to have criticized the intervention and [redacted] the Yugoslav leadership was horrified by the intervention of the Soviet troops in Hungary although they welcomed the idea that Hungary's breaking away from the cap of Socialism was made impossible. [redacted] 25X1
- [redacted] the Yugoslavs favorably viewed Kadar and Muennich, 25X1

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the new Hungarian Minister of the Interior, as well as Apro mentioned above with whom they had maintained contact over a prolonged period of time.

- e. [redacted] Belgrade was incensed with the development in Albania, Bulgaria and Rumania because a liberalization was made impossible there. Belgrade also considered it an affront that Enver Hodsha, the First Secretary of the Communist Party of Albania, made no mention of Yugoslavia in a speech held on the occasion of the 15th anniversary of the founding of the Albanian Communist Party and published an article in the Moscow paper Pravda which the Belgrade paper Borba repudiated sharply.

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[redacted] Chervenkov was again very active in Bulgaria while the Titoists could not exert any major influence. The Bulgarian-Yugoslav border was practically sealed.

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[redacted] the influence of the Stalinists in Bulgaria was by no means weakened when Chervenkov was released by Yugov as Prime Minister.

[redacted] those persons who had been in the USSR during WW II were the most influential persons in the country in addition to the Soviet advisors and added that although Government and Party were backed up by an extremely small minority, the Communist Party could rely on the army which was true to the party line.

- f. [redacted] anti-Soviet forces in Yugoslavia received new impetus as a result of the Soviet intervention in Hungary. The Party Congress of the Yugoslav Communist Party was postponed from December 1956 to the fall of 1957.

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[redacted] the situation which developed in the area of the Satellites and particularly in Hungary was a matter of grave concern to Tito since he was aware that his opponents in the Kremlin and specifically Molotov would shift the blame for the development in the Satellite area to him. He also expected repercussions on the Soviet-Yugoslav relations if Molotov and his following prevailed in the leading collective.

3. Soviet Zone of Germany

- a. A number of Central Committee members stated that Ulbricht's position was still unshaken. Even opponents of Ulbricht, such as Rau, emphasized the impossibility of a top-level reshuffle at the present moment. Rau [redacted] expressed the belief, however, that in the long run the GDR would be forced to follow up the development in Poland. He stated that all measures resulting from the decisions made by the 20th Party Day would have to be initiated very guardedly to avoid an explosion of the latent tensions in the population. He said that national Communism was also possible and even desirable in the GDR, but added that this would only be possible if the GDR were given some freedom of political movement by Moscow. It must be left undecided whether the national Communism advocated by Rau and his group in the Central Committee could stand a chance in view of the pronounced anti-Communist feelings of the large majority of the population in Central Germany.
- b. No information has as yet been available on the personal composition of the German Council for the Preparation of Reunification which was set up by the National Council. This new organization probably is to provide better control of all contacts between East and West German politicians in addition to the usual propaganda campaigns and infiltration into the Federal Republic.

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- c. As a result of the vigorous reaction by the West Berlin population to the events in Hungary, the SED State machinery and the People's Police had been on alert from 4 to 6 November. The alert as well as the restriction to quarters for NVA and People's Police was lifted for combat groups through out the Zone on 7 November. The ban on leaves for NVA personnel and People's Police continued, however. On 2 November, the SSD started large-scale searches for the "unmasking of infiltrated agents" and is checking particularly returnees and persons leaving the West.

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- e. Two-hundred- and-fifty LDPD members who were interrogated in a district of Saxony, unanimously turned down the LDPD-FDP contacts. They felt that the party leadership had been appointed by the SED and consequently was not independent. Representing the feeling of bourgeois groups in the Zone, they feared that such contacts would provide moral support to the SED regime and added that the LDPD membership considered the contacts no true promotion of reunification.
- f. The mood of the Soviet Zone population is one of pessimism as a result of the Soviet action in Hungary and the lacking Western support to Hungary.

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II. Military

1. Hungary

- a. Fighting between Soviets and insurgents was still observed, particularly in Budapest, after 6 November. The fighting was followed by growing partisan activities and passive resistance. Indications of a regrouping of the Soviet Forces in Hungary have first been observed on 11 November.
- b. Reinforced by a Ftr Bmr division, the Soviet Air Force in Hungary continued armed reconnaissance flights. Soviet light bomber units are standing by for attacks against partisan assemblies in Southern Hungary and possible rioting movements flaring up in industrial areas. All modern airfields in Hungary are occupied by Soviet Army and Air Force units.
- c. Individual command agencies of the Hungarian Armed Forces which are still working are trying to maintain or resume communication with subordinated groups and units.

2. Czechoslovakia

- a. Since the end of October, reservists of various year classes have been induced in addition to youths of the 1937 class who are in for their term of service. Troop movements toward the Hungarian border, particularly in the area of Pressburg, were observed along with this partial mobilization and must be considered security precautions of considerable extent.
- b. The Ftr and GA units stationed east of Bratislava are still on simple alert, which makes possible employment after about two hours' time.

3. Soviet Zone of Germany

- a. The personnel rotation program of the Soviet Forces in the Soviet Zone of Germany was continued. Dischargees outnumbered the incoming recruits. Several Soviet units transferred to other posts in the Zone. No strategic concentration against the West was made. No new arrival of Soviet forces from the USSR took place.
- b. The alert of the units of the 24th Air Army continued. Almost no flying activities were conducted.
- c. NVA, police and combat groups partially lifted alert and security precautions.

2 November 1956

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I. Political

1. Soviet Union

- a. In accordance with the doctrines put forward at the XX Congress of the Soviet Communist Party, the Kremlin, while reacting to the challenge of its domination in Poland and Hungary with a compromising attitude, as long as the survival of a Communist regime seems to be guaranteed in Poland and Hungary, will not allow its satellites to switch from a Communist-controlled regime to a Government modeled on Western pattern. That the Soviets are firmly determined to oppose any such move is proved by the latest comments of Shepilov and Shukov on the situation in Hungary, and by the moving of Soviet reinforcements from the Carpatho-Ukraine into Hungary and the continued fighting of Soviet forces for the protection of the Nagy Government. In any case, the cracks in the East Bloc and the setback for Soviet expansionist operations are of no small importance. As it is, the events in Hungary have dealt a severe blow to the prestige of the Soviet Union in its own as well as in the Neutralist camp, and to the reliability of its political propaganda, with the result, that the impact of this development is making itself felt even among the ranks of Western Communist Parties. On the other hand, the Soviet leadership hopes that the West, while confining its aid for the Hungarian freedom fighters to declarations of sympathy and charitable measures, will fail to take appropriate and effective political action. These hopes are nourished by the fact that the Hungarian rebels have until now been unable to develop a coherent political program and to set up an efficient political organization.

the tensions in the Moscow collective leadership have been enhanced by the development in Poland and Hungary, and differences of opinion in the ideological, internal, military and economic field are now beginning to hamstring the Kremlin's political decisions and maneuverability.

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the Soviet leaders disagree on whether or not continued de-Stalinization would serve Soviet interests. Moscow's plight is reflected in the attitude until now adopted toward the Hungarian liberation movement. At first, the Soviets made the attempt to crush the rebellion at once by brutal military action. At a later stage, there was a tendency to stem the tide of bitterness and hatred by outwardly making concessions with the aim of ultimately regaining control of the situation. The latest development makes it increasingly clear, however, that the Soviets are again resorting to military means, thus underscoring their firm decision to safeguard at least the future of a moderate Communist regime under Nagy. Not before the survival of the Nagy Cabinet is guaranteed, will they be willing to withdraw their forces from Hungary.

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- b. As for Poland, the events in Hungary provide renewed incentive to the independence and liberalization movement still under way in this country. [redacted] the Soviet leadership, forced into a compromise with Gomulka whom they still suspect of being unreliable, fears that his regime might only be a temporary [redacted] institution on Poland's way toward full-scale defection from Communism, thus leading the Poles to cut themselves off completely from the USSR and, in doing so, possibly even to endanger the Soviet position in the GDR which, with its still Stalinist SED regime under Ulbricht, is regarded by Moscow as a true stronghold of its domination in East Middle Europe. This indicates that, in spite of the conciliatory stand expected of the new Soviet Ambassador to Bonn, the Soviets will continue to adhere to their present inflexible views on German reunification. This Soviet line is clearly reflected in a report stating that a particularly representative reception at the GDR Embassy in Moscow for the commemoration of the 7th anniversary of the foundation of the GDR was, among other persons, attended by Mikoyan, Molotov, Perwukhin, Zaburov, and Mrs. Furtseva.

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2. Satellites and Yugoslavia

- a. Though calm has outwardly settled over Poland [redacted] the events in Hungary had again stirred up nationalist tendencies which expressed themselves in speaking choruses demanding that Gomulka should carry on with liberation rather than stop half-way through it. [redacted] Nationalist circles were convinced that Gomulka was solely interested in the stabilization of the staggering Communist regime in accordance with his views. The Polish population was disappointed because Gomulka's speech had swept away all hopes for a speedy improvement of the economic situation. For all that, by the release of Cardinal Wyschinski and the removal of Stalinist functionaries as well as by sending Marshal Rokossovsky on leave, Gomulka has surrendered to Nationalist and anti-Soviet feelings prevailing among the majority of the population, thus consolidating his own position for the time being.
- b. Following the reinstatement of Prime Minister Imre Nagy, who is popular with the masses for his former reformatory program, the rebellion has also effected the replacement of Stalinist Geroe by Janos Kadar as First Secretary of the Hungarian Communist Party. This development was already anticipated [redacted] and it was also pointed out in this connection that Kadar had previously been sentenced on the charge of being a Titoist and that he, though being pro-Soviet, demanded more political independence for the Communist regime in Hungary, thus following the political course inaugurated at the XX Congress of the Soviet Communist Party. Although Nagy is held responsible by the population for the employment of Soviet forces, the Hungarian Army is reportedly willing to accept him as Head of a "transition" cabinet, on the condition that he clearly moved away from Moscow. While the rebels were still hampered by differences about the future internal line and the lack of united leadership, the Nagy Cabinet has aligned itself with the

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demands, put forward by the insurgents and also encouraged by Tito and foreign Communist Parties, for the withdrawal of Soviet forces from Hungarian soil. The present situation of the Nagy Cabinet is highlighted by the fact that the Budapest Government radio station now refers to the rebellion as "a heroic fight of the youth", thus rejecting Soviet and GDR comments speaking of "a putsch of fascist counterrevolutionary elements".

- c. The attitude of the Communist regime in Czechoslovakia is characterized by its knuckling under to Moscow. Throughout the country, pre-arranged meetings were held for the population to give vent to its indignation about the "activities of international reactionary elements" in Hungary. [redacted] the Opposition had decided to hold back until the situation in Poland and Hungary was clarified. The concern in Prague over the events in neighboring countries is reportedly reflected both in military precautions and other measures, including for example the withdrawal of a permission for 200 Slovakian "peace fighters" to attend the "Peace Fighter Congress" in Vienna. [redacted] after the recent Tito-Soviet talks, the Prague Government did not see why it should seek new contacts with Belgrade.

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3. Soviet Zone of Germany

- a. Whereas the continuation of security measures, and statements by Ulbricht and Grotewohl declining all political changes are undoubtedly designed to demonstrate to the population the uselessness of any attempt to overthrow the regime, the demonstration of students of the East Berlin Humboldt University clearly shows the great interest of the population in the development in Poland and Hungary. It is typical of the nervousness inside the GDR regime that the SED activists of the Humboldt University found it imperative to publish a declaration of loyalty on 27th October 1956 in Neues Deutschland stating "that they would frustrate any attempt to exploit the Humboldt University for onslaughts against the workers' and Farmers' State by closing their ranks against counterrevolutionary elements."
- b. All the same, the official SED propaganda is quite incapable of handling the Poland and Hungary events adequately. Primitive attempts to simply ignore the development are due to binding Politburo directives. [redacted] the first such directive already provoked turmoil among the ADN (General German News Agency) editors who declared that it was ridiculous to deny facts daily transmitted by Western radio stations to the GDR population. The offer made by two editors to resign from their posts was turned down.
- re-shuff 63 c. Even Ulbricht's enemies in the SED leadership are at present considering no plans for a recast at the top, because they are more markedly aware than other satellites of the dangers of the chain reaction then inevitably confronting the whole regime. This wariness is borne out by [redacted] GDR Minister Rau who, when referring to his talks with Polish Embassy representatives on a possible removal of Ulbricht declared that, after returning from a visit to Hungary, Wankke had denounced Ulbricht as a stumbling-block preventing

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an improvement of GDR-Yugoslav relations both on State and on Party level. Rau added, however, that he would not give his support to anti-Ulbricht tendencies so long as it was not established what consequences his deposition would have.

4. Red China

[redacted] the encouragement of Polish Titoism by Mao Tse Tung has not yet been fully ascertained, [redacted] Titoist trends in East European Satellites have at least indirectly been helped forward by the outcome of the 8th Congress of the Red Chinese Communist Party held in September 1956. At any rate, Ochab and Kadar were present in Peking, when Mikoyan explicitly approved Red China's own path toward Socialism declaring that the experiences made by the Red Chinese Communist Party might provide guidance also for other Communist Parties. Since, contrary to Moscow, Peking is undisturbed by Titoism, the position of the Red Chinese leadership is at present more stable and more solidly established than that of their Soviet colleagues. This may further enhance Peking's reputation and authority within the World Communist Camp. It must be kept in mind, however, that until now, Moscow has imposed on its Satellites large-scale goods supplies to Peking, thus bolstering up Red Chinese industrialization at the expense of the living standard of the East European population. For this reason, Peking can by no means be interested in an exaggerated loosening of Moscow-Satellite ties. Among other things, Red China's dependence on Soviet Satellites may have induced Radio Peking to follow Moscow's comment on the Hungarian events and to brand the insurgents as reactionaries in a broadcast on 27 October 1956.

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II. Military

1. Hungary

The military situation in Hungary has so far developed as follows:

- a. The attitude of the Hungarian Army has not yet been clearly established. It seems that only some units of the Hungarian Army and Border Police have thrown in their lot with the insurgents, while the bulk of the forces has decided to stand by.
- b. After leaving their posts on late 22 and early 23 October 1956 for Budapest, elements of Soviet forces stationed in Hungary were engaged in heavy fighting with Hungarian rebel formations between 24 and 29 October 1956 in various parts of Budapest. After 29 October, fighting died down, and on 30 October before noon, the situation had not yet changed. Fighting took also place between Soviet forces and Hungarian rebels south of Balaton Lake and near Szolnok. While Soviet forces had not been withdrawn from Budapest by 30 October 1956, it is reliably learned that Soviet reinforcements are being moved into Hungary from the Carpatho-Ukraine.

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2. Poland

- a. Polish Army and Security Forces have been on alert since late 19 October 1956.
- b. The operations of Soviet Forces in Poland proceeded as follows:
By 22 October 1956, Soviet units stationed in West Poland had assembled in the Lodz-Kolo-Plock area. Advance details of a Soviet division presumably stationed in Pomerania were determined in the Plock-Kutno area as early as 19 October 1956. Between 23 and 25 October 1956, all Soviet forces returned to their established posts.

3. Soviet Forces in the GDR

After 18 October 1956, strong elements of 2 to 3 tank and 2 to 3 mechanized divisions, mainly from the eastern part of the GDR, were transferred by road to an assembly area west of Stettin-Muskau and kept on alert west of the GDR east frontier. Oder and Neisse road and railroad bridges were guarded by Soviet sentries. After the calming down of the situation in Poland, these units returned to their posts on and after 23 October 1956.

4. 24th Air Army

Together with the withdrawal of two GA divisions and one bomber division from the GDR, the unexpected transfer of a fighter division to the East by late October 1956 indicates a reorganization and reallocation of the 24th Air Army necessitated by the switch to nuclear warfare. Minor Soviet units equipped with modern day and night fighters were transferred to the GDR as reinforcements for the air defense system in the glacies of the USSR.

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